

## Message Text

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ACTION IO-13

INFO OCT-01 EUR-25 EA-11 ADP-00 SS-14 PM-09 ACDA-19

CIAE-00 INR-09 L-03 NSAE-00 NSC-10 OST-04 RSC-01

SCI-06 GAC-01 DODE-00 PA-03 USIA-12 PRS-01 OMB-01

TRSE-00 EB-11 RSR-01 /155 W  
----- 063356

R 151619 Z MAR 73  
FM USMISSION IAEA VIENNA  
TO SECSTATE WASHDC 2583  
INFO AEC GERMANTOWN  
AMEMBASSY BONN  
USMISSION EC BRUSSELS  
AMEMBASSY TOKYO

C O N F I D E N T I A L SECTION 1 OF 3 IAEA VIENNA 2104

E. O.11652: GDS  
TAGS: PARM, IAEA, US  
SUBJECT: NEGOTIATION OF US- IAEA SAFEGUARDS AGREEMENT

REF: A. IAEA VIENNA 1669, B. IAEA VIENNA 1362;  
C. IAEA VIENNA 1446

SUMMARY: IN ADDITION TO JAPAN, IAEA SECRETARIAT AND FRG  
HAVE ALSO URGED THAT US- IAEA SAGEGUARDS AGREEMENT  
PURSUANT TO PRESIDENTIAL OFFER BE IMPLEMENTED IN SAME  
FASHION AS EURATOM- IAEA NPT SAFEGUARDS AGREEMENT. IAEA  
SECRETARIAT GOES FURTHER AND HOPES THAT IAEA INSPECTION  
EFFORT IN U. S. FACILITIES WOULD BE LIMITED TO SAME  
EXTENT AS IN COMPARABLE FACILITIES IN EURATOM NNWS' S.  
KEY TECHNICAL FACTORS IN CONSIDERING EURATOM- IAEA TYPE  
OF IMPLEMENTATION U. S. OFFER ARE ( A ) INSPECTION ACTIVITY  
CONTEMPLATED WITHIN U. S. NATIONAL SAFEGUARDS SYSTEM  
FOR VARIOUS KINDS OF FACILITIES AND ( B ) UNDERSTANDING  
OF PRINCIPLE IMPLIED IN EURATOM- IAEA ARRANGEMENTS.  
ACTION REQUIRED: INFORMATION RE ITEM ( A ) ABOVE.

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1. REFTEL A REPORTED COMMENTS BY LOPEZ- MENCHERO RE INCLUDING EURATOM- IAEA TYPE PROTOCOL IN US- IAEA AGREEMENT AND IMPLEMENTING LATTER AGREEMENT IN SAME MANNER AS CONTEMPLATED IN SUBSIDIARY ARRANGMENTS TO EURATOM- IAEA AGREEMENT. IN SUBSEQUENT CONVERSATION WITH MISOFF, ROMETECH ALSO MADE STRONG PITCH FOR EURATOM- TYPE IMPLEMENTATION FOR US- IAEA AGREEMENTT. BOTH LOPEZ- MENCHERO AND ROMETSCH ADVOCATED NOT ONLY PRINCIPLE IMPLIED IN EURATOM- IAEA SUBSIDIARY ARRANGEMENTS, BUT ALSO HAVING THE U. S. NATIONAL SYSTEM UNDERTAKE LEVELS OF INSPECTION EFFORT COMPARABLE TO THOSE UNDERTAKEN BY EURATOM, THEREBY REDUCING AGENCY' S INSPECTION EFFORT TO MINIMUM. THEIR POSITION WAS BASED PRIMARILY UPON RESULTING DECREASED IMPACT UPON AGENCY' S MANPOWER AND BUDGETARY REQUIREMENTS.

2. FRG RES REP UNDERER HAS SHOWN US WHAT HE DESCRIBED AS " NON- PAPER" CONCERNING US- IAEA AGREEMENT, WHICH HE APPARENTLY HAS CIRCULATED AMONG EC- MEMBER MISSIONS. LOPEZ- MENCHERO ALSO REFERRED TO COPY, WHICH HE SAID WAS BY ANONYMOUS AUTHOR, DURING DISCUSSIONS REPORTED REFTEL A. AMONG OTHER POINTS, DISCUSSED SPTEL, UNGERER DOCUMENT NOTED THAT MAIN REASON FOR PROPOSAL BY " TIMBS GROUP" IN EARLY 1971 THAT FULL IAEA INSPECTIONS BE CARRIED OUT ONLY " IN RESPECT OF / ELIGIBLE U. S. AND UK/ FACILITIES OF ADVANCED DESIGN INCORPORATING NEW TECHNOLOGY OR THOSE WHICH ARE SENSITIVE IN TERMS OF INTERNATIONAL COMPETITION" WAS TO REDUCE AGENCY' S COSTS FOR IMPLEMENTING RESPECTIVE U. S. AND UK OFFERS. DOCUMENT POINTS OUT THAT NEGOTIATION OF EURATOM- IAEA AGREEMENT SHOWS THAT SYSTEM OF IAEA COOPERATION WITH ANOTHER SAFEGUARDS AUTHORITY CAN CONTRIBUTE TO DECREASE AGENCY' S COSTS. THUS, " IT APPEARS THAT A SIMILAR APPROACH FOR SAFEGUARDS TO BE APPLIED BY THE AGENCY IN THE U. S. MIGHT BE A SOLUTION TO THE PROBLEM." BUT, DOCUMENT NOTES, ACCEPTABILITY OF SUCH APPROACH DEPENDS UPON NATURE AND STRUCTURE OF U. S. NATIONAL SAFEGUARDS SYSTEM. " OF THIS NATIONAL SYSTEM IS COMPARABLE TO THE EURATOM SYSTEM IN EFFICIENCY AND EXTENT, AND IF IT INCLUDES INSPECTIONS, AS THE EURATOM SAFEGUARDS SYSTEM DOES, IT IS IMAGINABLE THAT THE GOVERNMENTS MAINLY INTERESTED IN SEEING AGENCY SAFEGUARDS APPLIED

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TO NUCLEAR ACTIVITIES IN THE UNITED STATES WOULD HAVE

NO OBJECTIONS TO THE LIMITATION OF THE AGENCY' S  
INSPECTION EFFORT ALONG THE LINES LAID DOWN IN THE  
EURATOM/ IAEA AGREEMENT, EVEN IF NATIONAL INSPECTIONS  
CANNOT BE PLACED ON THE SAME LEVEL AS MULTINATIONAL  
INSPECTIONS SUCH AS THOSE OF EURATOM. WHAT IS ESSENTIAL  
IN THIS CONTEXT, IS THAT THE BURDEN OF BOTH NATIONAL  
AND AGENCY' S SAFEGUARDS MEASURES FOR THE INDIVIDUAL  
OPERATOR AMOUNTS TO THE SAME AS THE SAFEGUARDS MEASURES  
OF EURATOM AND THE AGENCY FOR THE OPERATORS IN THE  
EURATOM- COUNTRIES CONCERNED".

3. UNGERER' S POSITION, SET FORTH IN LAST TWO SENTENCES  
QUOTED ABOVE, SEEMS TO BE THAT SUM OF U. S. INSPECTOR  
MAN- DAYS ( ARIE-1) AND IAEA INSPECTOR MAN- DAYS ( ARIE-2)  
FOR PARTICULAR U. S. FACILITY SHOULD EQUAL SUM OF  
ARIE-1 ( BY EURATOM) AND ARIE-2 IN COMPARABLE FACILITY  
UNDER EURATOM- IAEA AGREEMENT. UNDER SUCH APPROACH,  
ARIE-1 BY U. S. COULD BE LESS THAN ARIE-1 BY EURATOM,  
IN WHICH CASE ARIE-2 WOULD BE CORRESPONDINGLY LARGER IN  
U. S. FACILITY . MISSION NOTES THAT SUCH AN APPROACH  
PRESUMES THAT COM  
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INFO OCT-01 EUR-25 EA-11 ADP-00 SS-14 PM-09 ACDA-19

CIAE-00 INR-09 L-03 NSAE-00 NSC-10 OST-04 RSC-01

SCI-06 GAC-01 DODE-00 PA-03 USIA-12 PRS-01 OMB-01

TRSE-00 EB-11 RSR-01 /155 W  
----- 063221

R 151619 Z MAR 73  
FM USMISSION IAEA VIENNA  
TO SECSTATE WASHDC 2584  
INFO AEC GERMANTOWN  
AMEMBASSY BONN  
USMISSION EC BRUSSELS  
AMEMBASSY TOKYO

C O N F I D E N T I A L SECTION 2 OF 3 IAEA VIENNA 2104

RECEIVING SUCH AS SOON AS AVAILABLE.

6. IN ADDITION TO TECHNICAL FACTORS TO BE CONSIDERED,  
OTHER IMPLICATIONS OF ADOPTING THE EURATOM- IAEA CONCEPT  
FOR NEGOTIATING US- IAEA SUBSIDIARY ARRANGEMENTS MUST BE STUDIED.

CHIEF AMONG THESE IS FINANCIAL IMPACT ON IAEA AND U. S. RESPECTIVELY. AS LOPEZ- MENCHERO POINTED OUT, THE TARGET AGENCY ANNUAL COST FOR SAFEGUARDING ALL ELIGIBLE FACILITIES IN U. S. AND UK WAS GIVEN IN TIMBS PAPER AS \$5.6 MILLION IN 1975, WHICH WOULD BE REDUCED, ACCORDING TO TIMBS PAPER TO \$2.25 MILLION " OR EVEN LESS," BY ADOPTION OF PROPOSED SELECTION CRITERIA FOR FACILITIES TO RECEIVE FULL INSPECTION. HE POINTED OUT THAT, OVERALL, EURATOM- IAEA SUBSIDIARY ARRANGEMENTS WILL RESULT IN SPLIT OF INSPECTION EFFORT BETWEEN EURATOM AND IAEA SUCH THAT IAEA WILL CARRY OUT ONLY ABOUT ONE- FIFTH OF TOTAL. APPLYING THIS FORMULA, IN ADMITTEDLY OVERSIMPLIFIED WAY, TO CURRENT ROUGH IAEA ESTIMATE OF ANNUAL COST TO SAFEGUARD ALL ELIGIBLE U. S. AND UK FACILITIES OF ABOUT \$5.0 MILLION IN 1975, WOULD REDUCE AGENCY' S COSTS TO ABOUT \$1.0

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MILLION. THUS, APPLICATION OF EURATOM- IAEA CONCEPT TO IMPLEMENTATION OF INSPECTIONS IN ALL ELIGIBLE U. S. AND UK FACILITIES WILL RESULT IN EVEN LOWER COSTS TO AGENCY THAN WAS FORESEEN BY " TIMBS GROUP" ON BASIS OF ITS PROPOSED SELECTION CRITERIA. IN LOPEZ- MENCHERO VIEW, AGENCY WOULD ALSO BE FREED OF CHORE OF SELECTING FACILITIES, CONSULTING WITH STATES, WORRY ABOUT DISCRIMINATION AMONG U. S. FACILITIES, AND OTHERWISE BE INVOLVED IN TEDIOUS DETAILS INHERENT IN " SELECTIVE" APPROACH. HE FULLY RECOGNIZED THAT BURDEN OF REMAINING COSTS WOULD BE SHIFTED FROM AGENCY' S BUDGET TO U. S. NATIONAL BUDGET. HE EXPECTS THAT UK WILL MAKE ARRANGEMENTS UNDER EURATOM- IAEA AGREEMENT, IN ANY EVENT. HE POINTED OUT THAT, UNDER SELECTIVE APPROACH, AGENCY WOULD LIKELY SELECT ALL U. S. FUEL FABRICATION PLANTS AND ALL FUEL REPROCESSING PLANTS. AGENCY COSTS OF SAFEGUARDING THOSE PLANTS WILL REPRESENT ABOUT 80 PERCENT OF COSTS IF ALL ELIGIBLE FACILITIES ARE SUBJECT TO FULL INSPECTION, REGARDLESS OF WHETHER " TRADITIONAL" IAEA INSPECTION EFFORT OR EURATOM- IAEA CONCEPT EMPLOYED. COMMENT: THIS STATEMENT, TAKEN WITH ROUGH CURRENT ESTIMATE OF ABOUT \$5.0 MILLION FOR SAFEGUARDING ALL ELIGIBLE U. S. AND UK FACILITIES IN 1975, IMPLIES THAT AGENCY COSTS FOR SAFEGUARDING U. S. FACILITIES, UNDER " SELECTIVE" APPROACH WOULD BE ABOUT \$3.2 MILLION ( DEDUCTING ABOUT \$1.0 MILLION FROM TOTAL FOR SAFEGUARDING ALL ELIGIBLE UK FACILITIES).

7. PROSPECTS FOR SHIFTING ABOUT \$2.0 MILLION ANNUALLY FROM AGENCY BUDGET ( WITH U. S. CURRENT ASSESSED SHARE ON THE ORDER

OF  
\$0.7 MILLION OR LESS) TO U. S. NATIONAL BUDGET WILL  
HAVE IRRESISTIBLE APPEAL TO AGENCY MEMBERSHIP AND  
MANAGEMENT QUITE APART FROM ANY OTHER CONSIDERATIONS,  
COMING, AS IT LIKELY WILL, AT TIME WHEN U. S. WILL BE  
SEEKING TO REDUCE ASSESSMENT RATE. WE THEREFORE  
EXPECT INCREASING PRESSURE FROM ALL SIDES TO ADOPT  
(1) EURATOM- IAEA CONCEPT IN NEGOTIATING US- IAEA  
SUBSIDIARY ARRANGEMENTS AND (2) TO UNDERTAKE, IN  
THOSE ARRANGEMENTS, MAXIMUM U. S. INSPECTION EFFORT.

8. IT HAS BEEN POINTED OUT TO BOTH ROMETSCH AND  
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R 151619 Z MAR 73  
FM USMISSION IAEA VIENNA  
TO SECSTATE WASHDC 2585  
INFO AEC GERMANTOWN  
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C O N F I D E N T I A L SECTION 3 OF 3 IAEA VIENNA 2104

BUDGET AND AGENCY' S ACTIVITIES IN EURATOM FACILITIES  
AND CUT BACK U. S. INSPECTION EFFORT WHENEVER IT  
APPEARED THAT EURATOM WAS NOT EXERTING INSPECTION  
EFFORT IT HAD UNDERTAKEN ( ASSUMING, OF COURSE, THAT  
WE HAD SOME IDEA OF THOSE LEVELS).

10. MISSION BELIEVES THAT ENTIRE QUESTION OF U. S.  
WILLINGNESS TO ADOPT EURATOM- IAEA INSPECTION CONCEPT  
IN NEGOTIATION OF SUBSIDIARY ARRANGEMENTS TO US- IAEA  
AGREEMENT SHOULD BE GIVEN MOST CAREFUL STUDY,  
INCLUDING ALL IMPLICATION. IT SHOULD BE KEPT IN  
MIND, HOWEVER, THAT, AS NOTED IN REFTEL A, WORDING OR  
FORMAT OF AGREEMENT ( AND SPECIAL PROTOCOL FORESEEN

TO LIST ELIGIBLE U. S. FACILITIES, ETC.) WILL NOT BE  
AFFECTED BY DECISION ON CONCEPT TO BE INCORPORATED  
INTO SUBSIDIARY ARRANGEMENTS. NOTE THAT EURATOM- IAEA  
AGREEMENT DOES NOT DIFFER IN ANY SUBSTANTIVE WAY FROM  
ALL OTHER NPT SAFEGUARDS AGREEMENTS; EVEN PROTOCOL TO  
EURATOM- IAEA AGREEMENT DOES NOT REVEAL CONCEPT  
INCORPORATED IN SUBSIDIARY ARRANGEMENTS. ACCORDINGLY,  
MISSION STRONGLY RECOMMENDS THAT WE PROCEED WITH  
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NEGOTIATIONS OF AGREEMENT TEXT, WHILE QUESTION OF  
SUBSIDIARY ARRANGEMENTS IS BEING STUDIED.

11. FOR TIME BEING, MISSION INTENDS TAKE POSTURE THAT  
U. S. DOES NOT HAVE SUFFICIENT KNOWLEDGE OF EURATOM- IAEA  
SUBSIDIARY ARRANGEMENTS TO HAVE ANY OPINION CONCERNING  
TECHNICAL BASIS, FEASIBILITY OR EFFECTIVENESS. WHEN  
WE OBTAIN TECHNICAL EXPLANATION WE HAVE ASKED FOR, WE  
WILL EVALUATE IT NOT ONLY FOR APPLICATION IN EURATOM-  
IAEA SITUATION, BUT IN OTHER SITUATIONS AS WELL.  
TEXT OF US- IAEA AGREEMENT WE ARE DISCUSSING WITH AGENCY  
WILL FOLLOW AS CLOSELY AS POSSIBLE INFCIRC/153 AND  
NPT SAFEGUARDS AGREEMENTS BASED ON THAT DOCUMENT. AS  
IN NPT SAFEGUARDS AGREEMENTS, DETAILS OF INSPECTION  
ARRANGEMENTS WILL BE ADDRESSED IN SUBSIDIARY ARRANGEMENTS  
WHEN WE REACH THAT POINT IN OUR NEGOTIATIONS. PORTER

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* CONFIDENTIAL

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 MAR 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973IAEAV02104  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GDS  
**Errors:** n/a  
**Film Number:** n/a  
**From:** IAEA VIENNA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19730329/aaaahuob.tel  
**Line Count:** 312  
**Locator:** TEXT ON-LINE  
**Office:** ACTION IO  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 6  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 73 IAEA VIENNA 1669, 73 IAEA VIENNA 1362, 73 IAEA VIENNA 1446  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** garlanwa  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 30 JUL 2001  
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30 JUN 2005

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**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> jms 971204  
**Subject:** NEGOTIATION OF US- IAEA SAFEGUARDS AGREEMENT  
**TAGS:** PARM, US, IAEA  
**To:** AEC GERMANY  
BONN  
EC BRUSSELS  
IO  
SECSTATE WASHDC  
TOKYO  
**Type:** TE

**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005